

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

November 26, 2001
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Mosher, Deputy Mayor Marshall, Councilmembers Creighton¹, Davidson, Degginger, Lee, and Noble

ABSENT: None.

1. Swearing in of Councilmember Davidson

The meeting was called to order at 6:00 p.m. by Mayor Mosher. Mr. Mosher explained that Dr. Davidson was appointed to the Council at the beginning of the year to fill the unexpired term of former Councilmember Ron Smith. Dr. Davidson was reelected in November and under state law it is necessary that he be sworn in to complete the remainder of Mr. Smith's term. Judge Brian Gain administered the oath of office to Dr. Davidson.

2. Executive Session

At 6:04 p.m., Mayor Mosher announced recess to executive session for approximately 30 minutes to discuss one item of potential litigation. The study session resumed at 6:45 p.m.

3. Oral Communications

- (a) Michelle Mattson and Sherry Grindeland provided an update on Bellevue Youth Link's programs. Ms. Mattson noted upcoming events including a citywide youth conference in early spring and co-sponsorship of the Youth Service Learning national conference in Seattle on March 21-23. The 24-hour Relay Challenge will be held June 22-23, 2002. Mayor Mosher thanked the Youth Link Board for their leadership.

4. Study Session

- (a) Council New Initiatives

No new initiatives were introduced.

¹ Mr. Creighton arrived at 6:22 p.m.

(b) Bel-Red/Overlake Transportation Study (BROTS) 2001 Reconciliation Meeting

Mayor Mosher noted that this item has been postponed until the first quarter of 2002.

(c) Regional Issues

Diane Carlson, Regional Issues Manager, referred Council to page 3 of the Regional Issues packet and requested direction regarding the interest statement approved by Council in July for the negotiation of a King County jail interlocal agreement. She noted item III of the statement, which addresses the consideration of jail alternatives outside of the King County area. Ms. Carlson requested Council's affirmation of the interest statement and staff's ongoing discussions with the Yakima jail. Staff will return to Council in January with a full presentation and discussion of a contract for Yakima jail services.

Mr. Lee thanked staff for their efforts and encouraged moving ahead toward the implementation of a jail services contract with Yakima. Responding to Mr. Lee, Ms. Carlson agreed to revise the wording of Item III to indicate the desire to evaluate and pursue non-King County jail options.

Responding to Mr. Noble, City Manager Steve Sarkozy said staff plans to present a comparison of the Yakima and King County alternatives in January.

In response to Mr. Creighton, Ms. Carlson said two other jails in eastern Washington (Okanogan and Chelan Counties) provide services to cities in King County. Mr. Creighton wondered whether the diversion of inmates to other areas will result in increased costs for King County's jail services.

Dr. Davidson noted that Seattle and other cities are exploring contract opportunities with Yakima as well. Mr. Sarkozy said the Yakima jail is a focus of these discussions due to its proximity to King County and its plans for expansion.

Deputy Mayor Marshall asked if the Yakima jail is willing to accept both male and female prisoners and whether they will accept all types of offenders. If the Yakima jail is used by Bellevue, Mrs. Marshall does not want the City to expose itself to any additional liability related to the transport of prisoners. She encouraged staff to identify all possible costs associated with the use of an out-of-county jail facility.

Mayor Mosher noted Council consensus to reaffirm the interest statement with minor revisions as discussed.

Ms. Carlson moved to discuss the 2002 state legislative agenda and policy statement. Mike Doubleday, lobbyist for the City, said the next legislative session is scheduled for 60 days beginning on January 14. Democrats now have a one vote majority in the House of Representatives, breaking a three-year tie between Republicans and Democrats. Major issues for the upcoming session include the state budget, transportation, the protection of local revenues, human/social services, and water resources.

Responding to Dr. Davidson, Ms. Carlson said the Association of Washington Cities identified protecting local revenues, transportation, and water resources as its highest priorities.

Ms. Carlson reviewed the last set of revisions to the 2002 State Legislative Agenda based on Council's previous discussion. She noted staff's recommendation to move the paragraph regarding liability for acts of persons on probation to the Legislative Policy Statement since legislative action is not anticipated until 2003. Similarly, the paragraph on disclosure of information has been moved to the policy statement.

Ms. Carlson said the final State Legislative Agenda and Legislative Policy Statement will be included in the December 3 Consent Calendar for Council approval.

Referring to page 30, Mr. Lee encouraged the Council to develop a mission statement on economic development. He would like to see City staff become more involved in regional and state economic development initiatives. Ms. Carlson noted that economic development is also a priority for the Association of Washington Cities.

(d) Continuing Budget Discussions
(Follow-up to November 19 public hearing and response to Council questions)

Mr. Sarkozy said he is pleased with the strong degree of conservatism built into the City's budget. He noted the summary of the Mid-Biennium Budget Update on page 4-4 of the Council packet.

Interim Finance Director Gary Ameling reviewed the prior Council budget discussions. In response to a question raised last week by Councilmember Creighton, Mr. Ameling said the City's excess liability insurance coverage is negotiated annually and provides some limited coverage for acts of terror or war. Mr. Ameling reviewed the following changes to the mid-biennium budget:

- Addition of one staff position in the Probation office related to DUI legislation.
- Consolidated neighborhood investment strategy.
- Adjustments to development-related fees to bring the fees in line with Council-approved cost recovery objectives.
- Proposed utility rates for water and sewer.
- 2002 property tax levy reflects no increase in the Bellevue property tax component.

In response to Mr. Creighton, Public Information Officer Ron Langley said the next issue of *It's Your City* will include articles about the budget and utility rates. However, there will be an expanded article on utility rates in the following issue.

Mr. Ameling requested discussion regarding any Council suggestions for the budget update. Dr. Davidson expressed concern about the request for funds from the East King County Convention and Visitors Bureau. He suggested providing some level of funding as a one-time allocation and to follow up with a full discussion between the Bureau's stakeholders.

- Mr. Noble moved to add \$50,000 as a placeholder in the 2002 budget for the East King County Convention and Visitors Bureau, and Dr. Davidson seconded the motion.

Mayor Mosher recused himself from the discussion and vote because he serves on the Bureau's Board. Deputy Mayor Marshall presided over the discussion.

Mr. Lee feels the Bureau serves a definite need and function within the community. However, he questioned the appropriate role for the City, how the Bureau spends its money, and whether other cities support the Bureau.

Mr. Degginger would like specific information about the Bureau's strategic plan and specific goals and objectives prior to approving any funding. He feels there is a need to clarify the role and mission of the Bureau, as well as the appropriate role for the business community and the City.

Responding to Mr. Creighton, Mr. Sarkozy explained that Meydenbauer Center has reduced its financial support to the Bureau. Mr. Creighton asked how much advance notice Meydenbauer Center provided prior to the reduction in funding, and staff agreed to follow up on this question.

Dr. Davidson suggested providing the requested \$50,000, conditioned on a list of objectives and accomplishments.

Mr. Degginger posed the following questions: What is the Bureau's strategic plan? What is its role in the community? Who are the Bureau's stakeholders/participants? What performance measures are or could be used to assess the Bureau's effectiveness?

Responding to the Council, EKCCVB Executive Director Jim Pearman said the requested funds would be applied to 2001 overhead expenses in order to replace the funding lost from Meydenbauer Center. Mr. Pearman said most similar bureaus in the state rely on hotel room taxes for 55 percent of their budgets. However, room tax revenues supply only 23 percent of the EKCCVB budget. Mr. Pearman clarified that the Bureau is asking for \$50,000 this year and \$50,000 in 2002.

Responding to Mr. Lee, Mr. Pearman said significant cuts in overhead expenses have already been made and staffing was reduced from 13 to 6 people in the past year. Some salaries have been reduced by 20 percent, the toll-free number has been eliminated, and the Bureau is working to reduce the size of its office space. Mr. Sarkozy commented on the historical allocation of hotel/motel tax revenues to support Meydenbauer Center. Mr. Pearman reiterated that most bureaus, except EKCCVB, are funded by room tax revenues.

Dr. Davidson questioned how the Bureau will be able to continue operating given the reduction in funding above and beyond the \$50,000 requested from the City. Mr. Pearman explained that the Bureau's publications are generally sold during the fourth quarter. Due to the economic recession, hotels have sharply reduced their marketing budgets. As a result, the Bureau agreed to defer billing for publications to January. Mr. Pearman feels the Bureau, with a 91 percent retention rate and a membership of 400 for the past two years, is still a strong organization.

Mr. Degginger noted that even if funding is provided for 2001, the Bureau will continue to suffer a hardship in the coming year.

- ➡ Mr. Degginger made a substitute motion to provide \$50,000 from the General Fund to the East King County Convention and Visitors Bureau for the remainder of 2001. Dr. Davidson withdrew his second of the main motion and seconded the substitute motion.

Mr. Lee is concerned about providing \$50,000 for the remainder of 2001 because he would like to be reassured that the Bureau is a viable organization.

Mr. Creighton is not willing to give the money out of the General Fund. He feels hotel/motel tax revenues are a more appropriate source for the Bureau's funding. Mr. Sarkozy suggested providing the 2001 requested funding from the General Fund and then looking for additional funding sources if Council wants to also make an allocation to the Bureau for 2002.

- ➡ The motion to provide \$50,000 from the General Fund to the East King County Convention and Visitors Bureau for the remainder of 2001 carried by a vote of 4-2, with Mr. Creighton and Mr. Lee dissenting.
- ➡ At Deputy Mayor Marshall's request, Mr. Noble restated his original motion to create a \$50,000 placeholder in the 2002 budget for financial assistance to the East King County Convention and Visitors Bureau with the following two conditions: 1) that Council discuss and reach consensus regarding the appropriate role of the City and the business community, the Bureau's goals/objectives and strategic plan, and how the money is to be spent, and 2) that alternative funding sources to the General Fund be identified for Council consideration. Mr. Lee seconded the motion.
- ➡ The motion to create a \$50,000 placeholder in the 2002 budget for financial assistance to the East King County Convention and Visitors Bureau with the following two conditions: 1) that Council discuss and reach consensus regarding the appropriate role of the City and the business community, the Bureau's goals/objectives and strategic plan, and how the money is to be spent, and 2) that alternative funding sources to the General Fund be identified for Council consideration, carried by a vote of 5-1, with Dr. Davidson dissenting.

At 8:34 p.m., Mayor Mosher returned to the table and presided over the remainder of the meeting.

Mr. Ameling reviewed a funding request from the Children's Museum in Seattle related to an initiative to establish a second Children's Museum in the former Bellevue Art Museum space in Bellevue Square. Deputy Mayor Marshall suggested deferring consideration of this item to the 2003/2004 budget cycle. Mr. Creighton concurred. Mayor Mosher noted Council consensus that this item not be included in the current mid-biennium budget update.

Mr. Ameling said adoption of the mid-biennium budget update will be presented for Council action on December 3.

At 8:36 p.m., Mayor Mosher declared a short break. The meeting resumed at 8:44 p.m.

(e) Sign Code Revisions – Downtown Residential Real Estate

Planning and Community Development Director Matt Terry explained that issues have surfaced regarding the City's sign code requirements for apartments and condominiums. He noted that Downtown Bellevue has changed substantially since the trend toward residential development started in 1994, and approximately 3,500 housing units have been added since that time.

Mike Upston, Senior Planner, said the statement in italics in the middle of page 4-7 of the Council packet should be deleted. He clarified that statement #6 on page 4-8 is describing activities to take place following completion of the current effort to update the Downtown Implementation Plan.

Mr. Upston reviewed the four major issues and proposed solutions regarding sign code requirements for residential properties:

Challenge #1 – Address the perception in the downtown business community that our sign regulations and enforcement put them at a competitive disadvantage.

Solution – Amend the Code to allow greater flexibility in sign design and use during construction and lease-up periods, as well as for commercial and residential real estate information.

Challenge #2 – Address the difficulties that some downtown residential building owners have with attracting tenants when there is poor visibility.

Solution – Improve on the hierarchy, compatibility, and visibility of signage for buildings at all locations.

Challenge #3 – Address the downtown residential rental market's concern that sign regulations do not promote a level playing field in regards to "For Sale" and "For Rent" properties.

Solution – Allow any portion of the permanent signage allocation to be used for temporary marketing signage. Also, allow a 16 square foot on-site sign for "as needed" marketing. Continue with work on way-finding and neighborhood identity markers.

Challenge #4 – Address the concern of the business community citywide that time constraints built into the Sign Code are too stringent and do not provide the needed flexibility to move quickly with market changes.

Solution – Provide more opportunities and longer periods for temporary event signs and displays.

Mr. Upston said staff proposes addressing these challenges through a variety of changes to the Sign Code:

- The Sign Code currently allows 64 total square feet for marketing signage during the construction phase of a project. Staff proposes no limit on construction phase signs until the issuance of a building's certificate of occupancy.
- Staff proposes that the City allow any portion of the permanent signage allocation to be used for marketing signage during the lease-up or sales period for a building.
- Proposed changes affecting permanent signs:
 - Require a sign master plan package.
 - Prohibit rooftop signs, with the exception of hotels.
 - Allow an exception to the five-foot maximum allowed for sign projection from a building.
 - Allow LED message signs at locations of public assembly and regulate the frequency of message change.
- Proposed changes affecting real estate signs:
 - Help level the playing field for residential rental properties by allowing an additional 16 square foot real estate sign to market vacancies. This is similar to the current allowance for developed and undeveloped commercial property.
 - Continue to allow up to four open house signs for marketing and directional purposes (and allow one sign behind sidewalk for rental market).
 - Allow certain real estate and utility provider signs without a permit.

Mr. Upston described a new proposed real estate sign to replace A-boards. The new signs are taller and portable but appear permanent in terms of design style. Staff proposes expanding the concept of "Grand Opening" signs to include "Temporary Event" signs and to allow: 1) "Grand Opening" signs for 30 days to advertise the opening of a new business, and 2) temporary signs for 14 days to advertise a change in ownership, substantial remodel, or a going out of business sale. Current regulations allow special event signage once a year for seven days.

Mr. Upston reviewed the following additional proposed amendments to the Sign Code:

- Update Addendum 2, Illustrated Guide to Sign Design, and move it into the General Provisions section.
- Require a signage master plan for new projects in design districts.
- Allow greater variance from standards on the location and height of signs.
- Add definitions for new words used as a result of the recommended changes.
- Reformat portions of the Sign Code for clarity.

Mr. Upston said the City provides information about its sign requirements to all businesses. He said the existing Sign Code contains the flexibility to allow for the issuance of warnings for violations.

Responding to Dr. Davidson, Mr. Terry briefly reviewed Council's direction a few years ago to implement proactive Sign Code enforcement and to eliminate the warning provision for violations. He said the City receives complaints about the lack of warnings and the Sign Code contains some flexibility for staff to exercise discretion and issue warnings in situations where a business owner clearly does not understand the regulations. However, Mr. Terry encouraged the

Council to not return to the warning approach previously followed by the City, which resulted in some abuse of this provision. He noted the need to track incidents if warnings are to be issued.

Responding to Mr. Lee, Mr. Terry said if Council is interested in allowing warnings in limited situations, staff would develop decision criteria to be used by field staff in evaluating whether or not to issue a warning or a fine violation.

Deputy Mayor Marshall expressed support for the current Sign Code enforcement approach with the slight modification recommended by staff. She asked if staff is planning to address the perpetual “going out of business” signs used by some local businesses. Patti Wilma, Senior Planner, said the state requires businesses to register if they are going out of business. She explained that these signs and businesses are investigated and violations are issued where possible.

Responding to Mr. Noble, Ms. Wilma said the sign design review process is part of the overall project design review. Changes are allowed on an ongoing basis due to changes in circumstances, and staff provides a one-week turnaround in processing these changes. Ms. Wilma explained that consistency is maintained through the use of design review criteria and enhanced due to the longevity of City staff performing design review activities.

Mr. Creighton recalled that the original impetus for the last Sign Code amendments was to address the display of illegal signs on weekends. In reference to an earlier comment that some businesses continue to display illegal signs and pay the fines as a cost of doing business, Mr. Creighton suggested that perhaps the fines are too low. He would like the City to be able to track Sign Code violations. Mr. Terry explained that new technology could allow field staff to access violation histories.

Mr. Degginger referenced page 4-23 and expressed concern about the paragraph on temporary event signage. He noted that private schools and child care centers periodically have enrollment periods and need to use banners or other signs as advertisement. Mr. Terry said the Sign Code contains a provision allowing the use of temporary event signs for nonprofit organizations.

Dr. Davidson requested clarification of the last sentence in the first paragraph on page 4-7: “Staff recommends that Code Enforcement continue to proactively enforce the Sign Code, using flexibility provided in Title 1, Chapter 1.18, to issue warnings to first-time violators who can demonstrate both that they were not aware and that they should not have been aware.” Mr. Terry noted the language was drafted by an attorney and the intent is to create a standard in which a person must demonstrate some type of unusual circumstance to explain a lack of awareness about the City’s sign regulations.

In response to Mr. Lee, Ms. Wilma said applicants for redevelopment projects are informed about sign requirements and design criteria.

In response to Mr. Creighton, Ms. Wilma said search lights are allowed outside of the downtown in certain situations for a maximum of up to seven consecutive days.

In response to Mr. Noble, Ms. Wilma said the proposed amendments do not change requirements regarding “For Sale” signs. Although the amendments will limit freestanding “Open House” signs, rental properties will be allowed to have one “Open House” sign.

Mayor Mosher expressed support for the proposed overall approach.

Dr. Davidson suggested that this item not be scheduled on Council’s Consent Calendar. He feels the enforcement process should include education and a first-time warning before issuing violations with fines. He expressed concern about the difference in requirements for design and non-design districts within the city and the confusion this causes for business owners. Mr. Terry noted that many citizens want to retain stricter sign regulations in residential areas.

Responding to Mr. Lee, Mr. Terry said the City Attorney’s Office is working on a separate amendment to address the use of sandwich board signs.

Mayor Mosher noted general Council support for the proposed Sign Code amendments, although there is some difference of opinion about how warnings should be handled. Mr. Degginger would like clarification of the requirement for construction phase signs in relation to the trigger of a Temporary Certificate of Occupancy and/or a Certificate of Occupancy.

- (f) A Regional Coalition for Housing (ARCH) Recommendation for Avondale Park Pre-development Project
(Scheduled for Council action on December 10)

Mr. Sarkozy introduced a funding request for \$150,000 from A Regional Coalition for Housing (ARCH) for the Avondale Park project.

Art Sullivan, ARCH Executive Director, briefly explained the request for predevelopment funds for a transitional and shelter housing project at the Coast Guard site in Redmond. The total request is \$250,000, which includes \$150,000 from Bellevue’s Community Development Block Grant fund, and the money will be used to develop construction plans for redevelopment of the site. Mr. Sullivan noted that a predevelopment commitment has not previously been provided by ARCH. He said the Avondale (Coast Guard) property was obtained without cost from the federal government when it was declared as surplus in 1997 and existing housing units on the site have been used since that time. Eastside Housing Association plans to redevelop the property and to add on-site child care and a community center.

Mr. Sullivan said the project received two major funding commitments (Gates Foundation and King County) earlier this year but has not received state funding. The requested funds are proposed as a grant. However, if resulting plans are insufficient to submit for a building permit, ARCH would seek reimbursement of the grant funds. Financial support at this time will enable the project to qualify for ongoing operating assistance through the federal Section 8 program, which is a precedent for transitional housing projects.

In response to Mr. Lee, Mr. Sullivan said additional project funding will come from the Gates Foundation, King County, Impact Capital, and private fundraising.

Mr. Noble commended the project design and suggested that Mr. Sullivan show the plans to Council next week.

At 9:58 p.m., Mayor Mosher declared the meeting adjourned.

Myrna L. Basich
City Clerk

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